Billings Public Schools also has a policy that does not require a physician's signature for OTC self-medication. If the RN is giving the medication, then we still of course require a physician's order.  
We do require the parent to fill out a self-administration form for all OTC medications brought to school.  
This policy has been in place since 2004 and seems to be working very well. We have had no problems with this, although I will admit that when it was first suggested, I was very hesitant!

Do you see any negatives/ frequency of issue in this policy for the middle or high school students?

To my knowledge, there has not been a problem. The concern for me would be sharing meds, especially prescriptions.   
I have not had complaints about students sharing meds, although I think I would be naive to think it doesn't ever happen.  
I depend a lot on the staff to let us know if there is a problem, they interact with the students more than the nurse.  
For whatever reason, this policy has worked for us for many years.